

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 28501 01 OF 02 312118Z

64

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 EA-07 FRB-03 INR-07 NEA-10 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 INT-05

STR-04 L-03 H-02 SAM-01 PA-01 PRS-01 USIA-06 EURE-00

/098 W

----- 085773

P R 312105Z OCT 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 4788

INFO USMISSION GENEVA

USDEL MTN GENEVA

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 28501

E.O. 11652: N/A

TAGS: ETRD, OECD, FR

SUBJ: FRENCH VIEWS ON STEEL PROBLEM: "MANIFEST CRISIS" AND OECD CONSULTATIONS

REF: OECD PARIS 28241

1. SUMMARY: WHILE THERE IS SOME DOUBT AS TO UNAMIMITY OF GOF POSITION ON WHETHER EUROPEAN STEEL INDUSTRY IS IN STATE OF "MANIFEST CRISIS" MINISTER OF INDUSTRY D'ORNANO HAS PUBLICLY EXPRESSED HIS VIEW THAT "MANIFEST CRISIS" EXISTS AND HAS CALLED UPON EC AUTHORITIES TO "ASSUME RESPONSIBILITIES THE TREATY OF PARIS DEFINES FOR THEM". ON BASIS OF D'ORNANO'S STATEMENT FRENCH STEEL INDUSTRY BELIEVES IT HAS GOF SUPPORT FOR INVOCATION OF PARIS TREATY ARTICLE 58 WITH IMPLICATIONS FOR BOTH INTERNAL MARKET REGULATION

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 28501 01 OF 02 312118Z

AND RESTRAINT OF IMPORTS. FRENCH STEEL INDUSTRY CONSIDERS

EC PROPOSAL FOR OECD CONSULTATIONS TO BE "TOO LITTLE TOO LATE". EMBASSY IS ATTEMPTING TO ASCERTAIN GOF POSITION AND REGISTER OUR CONCERN OVER DANGER OF IMPORT RESTRICTIONS. END SUMMARY.

2. ACCORDING TO AFP, FRENCH INDUSTRY MIN MICHEL D'ORNANO, IN RECEIVING SPINELLI OF EC COMMISSION ON OCT 24, STATED THAT GOF " WAS WAITING FOR EC AUTHORITIES TO ASSUME, IN RESPECT OF THEIR INTERNATIONAL OBLIGATIONS, RESPONSIBILITIES TREATY OF PARIS DEFINES FOR THEM," AND THAT, IN HIS VIEW STATE OF "MANIFEST CRISIS" EXISTS IN EUROPEAN STEEL INDUSTRY.

3. FOLLOWING UP ON THE AFP DISPATCH AND SUBSEQUENT ARTICLES IN FIGARO (OCT 25), LE MONDE (OCT 26-27) AND FINANCIAL TIMES (OCT 27), EMBOFFS HAVE ATTEMPTED TO CLARIFY GOF POSITION VIS-A-VIS "MANIFEST CRISIS" UNDER ARTICLE 58 OF THE TREATY OF PARIS AND FRENCH ATTITUDES TOWARD PROPOSED CONSULTATIONS IN THE OECD.

4. OUR CONTACTS IN MINISTRY OF FOREIGN TRADE HAVE REVEALED THAT D'ORNANO'S STATEMENT DID NOT RECEIVE INTER-MINISTERIAL CLEARANCE AND DOES NOT NECESSARILY HAVE FULL SUPPORT OF GOF. (IN EMBASSY VIEW, IT IS HIGHLY UNLIKELY D'ORNANO WOULD MAKE SUCH A STATEMENT WITHOUT SOME BACKING FROM PRIME MINISTER CHIRAC OR PRESIDENT GISCARD.) WE ARE TRYING TO MEET WITH APPROPRIATE OFFICIALS IN D'ORNANO'S MINISTRY TO CLARIFY GOF INTENTIONS AS WELL AS TO REGISTER U.S. CONCERN OVER DANGER OF PROTECTIONIST MEASURES.

5. IN MEETING WITH HIGH OFFICIAL OF FRENCH IRON AND STEEL INSTITUTE, EMBOFFWAS TOLD THAT FRENCH IRON AND STEEL INDUSTRY IS CONTINUING TO EXERT MAXIMUM PRESSURE TO BRING ABOUT DECLARATION OF "MANIFEST CRISIS" UNDER TREATY OF PARIS. SEVERAL IMPORTANT STEEL FIRMS, NOT NECESSARILY FRENCH, WILL GO UNDER

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 28501 02 OF 02 312117Z

64

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 EA-07 FRB-03 INR-07 NEA-10 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 INT-05

STR-04 L-03 H-02 SAM-01 PA-01 PRS-01 USIA-06 EURE-00

/098 W

----- 085775

P R 312105Z OCT 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 4789

INFO USMISSION GENEVA

USDEL MTN GENEVA

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 28501

WITHIN SIX MONTHS IF THIS ACTION IS NOT TAKEN SWIFTLY,
HE SAID. IN HIS VIEW, PROPOSED CONSULTATIONS ARE "TOO
LITTLE TOO LATE" AND MERELY AN ATTEMPT TO AVOID FACING
UP TO THE ISSUE.

6. THE OFFICIAL MADE IT CLEAR THAT WITH D'ORNANO'S
STATEMENT, FRENCH IRON AND STEEL INDUSTRY BELIEVES IT
NOW HAS FULL SUPPORT OF GOF AND THAT, IN FACT, A STATE
OF MANIFEST CRISIS WILL SOON BE DECLARED.

7. OFFICIAL CONTINUED THAT INSTITUTE PRESIDENT JACQUES
FERRY'S POSITION IS CLEAR: WHEN CRISIS IS MANIFEST,
MEASURES MUST BE TAKEN; HOWEVER, IN STATE OF MANIFEST
CRISIS ONE MUST BE VERY CAREFUL ABOUT PRACTICAL MEASURES
ACTUALLY TAKEN. RAISING OF TARIFFS IS NOT CALLED FOR
BUT CERTAIN CONTINGENCY MEASURES (PRESUMABLY IMPORT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 28501 02 OF 02 312117Z

CONTROLS) INVOLVING JAPAN, KOREA, SPAIN, AND EASTERN
EUROPE MAY BE JUSTIFIED. U.S., HE SAID, POSES NO
PROBLEM FOR EC IN IRON AND STEEL TRADE.

8. WHEN QUESTION OF PROTECTIONISM WAS RAISED, INSTITUTE
OFFICIAL STATED THAT FERRY IS NOT A PROTECTIONIST
AND THAT MEASURES TO BE TAKEN UNDER TREATY OF PARIS
WOULD BE FOR SHORT PERIOD TO MEET IMMEDIATE CRISIS.
HE STATED THAT IN IRON AND STEEL SECTOR TWO VERY
DIFFERENT THINGS ARE NEEDED: (1) PROVISIONAL

MEASURES UNDER TREATY OF PARIS TO FACE EXTRAORDINARY
AND DEEP CRISIS, AND (2) LONGER TERM ORGANIZATION
OF STEEL MARKET. THESE TWO ISSUES, HE EMPHASIZED,
SHOULD NOT BE CONFUSED.

9. COMMENT: OUR FULLER UNDERSTANDING OF GOF
ATTITUDES TOWARD BOTH INVOCATION OF ARTICLE 58 AND
PROPOSED OECD CONSULTATIONS WILL HAVE TO AWAIT
FURTHER CONTACTS WITH GOF OFFICIALS PARTICULARLY
MINISTRY OF INDUSTRY. HOWEVER, IT IS CLEAR AT THIS
TIME THAT FRENCH IRON AND STEEL INSTITUTE BELIEVES
ITS DRIVE FOR DECLARATION OF MANIFEST CRISIS IS
FULLY BACKED BY GOF.

RUSH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, ECONOMIC STABILITY, STEEL, INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 31 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PARIS28501
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750379-0119
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975101/aaaaaamu.tel
Line Count: 183
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 OECD PARIS 28241
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 24 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 APR 2003 by KelleyW0>; APPROVED <28 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRENCH VIEWS ON STEEL PROBLEM: "MANIFEST CRISIS" AND OECD CONSULTATIONS
TAGS: ETRD, FR, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006